

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 420 – HB 442

April 20, 2012

SUMMARY OF AMENDMENTS (015862, 016931): Deletes all language after the enacting clause. Creates a two-year pilot program in Knox County for a maximum of 10 patients to receive court ordered assisted outpatient treatment when certain conditions are met. Prior to the order, the court must receive a written, proposed treatment plan by a qualified mental health professional or physician who has examined the proposed patient within the past 10 days. The court may order the proposed patient to receive assisted outpatient treatment for an initial period of no more than six months, unless there are not adequate community resources available to provide the recommended treatment plan, at which point the court shall state the findings of fact on the record and deny the treatment without prejudice. Within 30 days prior to the expiration of an order for assisted outpatient treatment, the authorized petitioner may apply to the court to order continued assisted outpatient treatment for a period not to exceed six months. Amendment 016931 corrects typographical errors.

FISCAL IMPACT OF ORIGINAL BILL:

Decrease State Expenditures - \$600

Other Fiscal Impact – There will be a decrease of \$3,500 in Community Mental Health Services (CMHS) and Substance Abuse Prevention and Treatment (SAPT) block grant funds used for travel expenses. These funds will be spent on other administrative or grant services.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENTS:

Increase State Expenditures - \$122,200/FY12-13
\$119,700/FY13-14

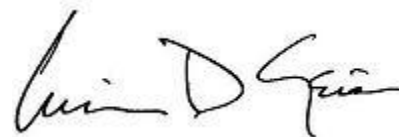
Funding in the amount of \$6,629,500 is included in the Governor's proposed FY12-13 budget as a reallocation of funding from the Lakeshore Mental Health Institute to Community Mental Health Services as Community Reinvestment Funds. According to the Department of Mental Health, \$125,000 of the \$6,629,500 will be allocated in both FY12-13 and FY13-14 to cover the increased expenditures resulting from the proposed legislation.

Assumptions applied to amendments:

- The pilot program will serve 10 patients from July 1, 2012, through June 30, 2014, in Knox County.
- According to DMH, evaluations do not usually qualify as medically necessary; therefore, all expenditures will be state funded. Each evaluation will cost approximately \$250 and will occur during the first year of the program resulting in an increase in state expenditures of \$2,500 (10 applicants x \$250) in FY12-13.
- According to DMH, the initial court-ordered length of treatment, number of renewals, and length of renewals will differ among patients. There are two options for treatment. The first option is to contract with a program of assertive community treatment (PACT) which costs approximately \$1,596 per-patient-per-month. The second option is to contract for individual services, possibly using multiple providers with a single coordinating agency which costs approximately \$1,779 per-patient-per-month. For the purposes of this fiscal estimate, it is assumed that all 10 patients will receive PACT services for \$1,596 per month.
- According to DMH, each patient will receive approximately 15 months of treatment resulting in an increase in state expenditures of \$239,400 (10 patients x \$1,596 x 15 months) over a two year period.
- It is assumed that the patients will receive 50 percent of the treatment in the first year and 50 percent of the treatment in the second year resulting in an increase in state expenditures of \$119,700 ($\$239,400 \times 0.50$) in both FY12-13 and FY13-14.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Lucian D. Geise, Executive Director

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